

Growing for Gold

A dramatic turnaround has dominated Northern Star Resources' fortunes in recent years as the company has been transformed under the leadership of its Managing Director, Bill Beament.

As an ASX200-listed gold producer and exploration company, Northern Star Resources has focused on developing its assets and fostering its family culture. *The CEO Magazine* recently sat down with Bill to discuss the company's meteoric rise.

The CEO Magazine: How has the company been transformed under your leadership?

Bill: Considering that three and a half years ago we were just a shelf company, we've come a long way. We were a one-cent company with a market capitalisation of \$1 million and I was the only employee. Today, we have nearly \$450 million market capitalisation, we're a dollar-a-share company, we've just bought our second mine, and we have approximately 600 employees.

What was the process behind getting to that point?

A lot of hard work! Four years ago, we had a vision. We re-capitalised the company as a shelf, found our new investors, and went hunting for resource assets. We had a goal

for what we wanted to get, we got that type of asset, and we had a very strict discipline and game plan inside our business about what we wanted to do with our asset and where we wanted to place the company so that we could start growing. That was really the focus of the past 12 months.

We have just bought our second mine; it will double our production and we're not going to stop there. We want to grow Northern Star Resources into a four- or five-mine company and hopefully position it to be an ASX100-sized entity.

How are you planning to foster that future growth?

First of all, it's about the people you surround yourself with on a team, your senior management, executives, and board. We did a lot of work to get the right board make-up over the past 18 months. We also did a lot of work to ensure we got the right executives. So we've got all our building blocks in place now as an executive team.

The final piece came around six months ago with the appointment of a COO. Up until then, I'd been doing that role and the MD role for three and a half years. It's been pretty trying. We have that all entrenched in our business now, and we're adding a few key people for the expected growth. So we've got all that in place.

"We just bought our second mine; it will double our production, and we're not going to stop there. We want to grow Northern Star Resources into a four- or five-mine company and hopefully position it to be an ASX100-sized entity."

- Bill Beament

With an ambitious, strategic approach and a strong family culture, Northern Star Resources is becoming an increasingly prominent player in the Australian market.

Images by David Phillips

We did a lot of work to get our balance sheet right. We made sure that we made money, that we didn't get into debt, and we've got \$50 million in assets and cash in the bank. We're a cashflow-generating company. We did a lot of work to ensure that when we get to that position where we could grow, we don't have a big debt load and we've got a good equity position that we can use for growth.

How will you draw on Northern's strong family culture in the years to come, and how did that culture evolve?

The beauty of what we did, starting three and a half years ago with just myself as an employee, means that we started from the bottom and it was about getting the right people in the organisation and developing the right culture. I look at cultures and study a bit of that. If you take any existing, established organisation, it normally takes around two years to turn a company culture around. The beauty for us is that we started from nothing so we could generate that culture.

It was only 12 months ago that we were having a strategy session with my board and key management group and they told me that the workforce call us 'the Northern Star family'. It's really a family-type culture, and we foster and nurture that; we're very protective of that >



As featured in
The CEO Magazine
For more info visit
theceomagazine.com.au





culture. A certain type of people come in and, as we grow, we can pull in people that we've worked for and worked with over the years whom we trust and respect. When we add these people in, they know the culture and how we operate, so it gels very well.

What qualities or values do those 'right hires' have?

We've got core values in our company and we just rolled these out recently. We've done a lot of work on our core values and I

guess that's what we live and die by in the company. They're core values that were generated by the employees; it didn't come from management or the board.

Our staff came up with five core values, which result in the acronym STARR. The first is 'safety', then 'teamwork', and 'accountability', which is one of my favourites because without accountability there's no responsibility; that's how I operate. The fourth is 'respect' and the fifth one is 'results', which is what we pride ourselves on. One

"I've always worked by the philosophy that good management, good people, and good boards will find you other assets and good projects."

- Bill Beament

thing we do when we go out to the marketplace is that when we tell them we're going to do something, we either achieve it or exceed it. That's what we've done for three and a half years. We haven't once gone back on our promises, whether its expansion or production guidance. I think that makes us unique among our peers and it's a key part of our success.

You mentioned previously that one of the core things that sets the company apart is its operational intelligence and its ability to take calculated risks. How have you fostered that spirit?

Our thinking is that we don't have a head office; we have a Perth office. I've always worked with the philosophy that if the minesite is where the money is made, then that's where the resources should lie. In the Perth office, we are a resource to ensure that people can do their job and they don't have any roadblocks. We remove those

roadblocks so the guys and girls at the minesite can get their job done efficiently, safely, productively, and profitably. That's one of the key things that we do.

I'm used to running multiple mines. We understand mining, we understand geology and processing. We know where to take calculated risks because of our experience in what we've done in the past. We've been in the game long enough to know what works and what doesn't.

How do you form longstanding, productive relationships with suppliers and partners?

That's critical. I still use the same suppliers that I've been using for the past 15 years because they're people who have never let me down. You'll always have people offering you a cheaper product, but when you're on the minesite at midnight on a Sunday and they're not answering

the phone, that's when you find out who's good and who's bad.

I've always looked after my suppliers; they have to make money and run a business, and if they can't do that then you don't have their products and services. I've always made sure that my suppliers aren't getting screwed because that doesn't benefit anyone. You work with them; they are a partner and a critical line item in your business.

As a leader, what is your vision for Northern Star Resources?

We're a very aggressive company. We want to grow significantly. We think there's a big investment void in the Australian gold sector. At the top, you've got Newcrest around the \$15-billion market cap; then the next company is Regis at \$1.5-billion market cap; and then the next companies are around the \$500-million mark. There's a big void for a company to fill in that \$500-million to \$1.5-billion space

and potentially be the third gold producer in the ASX100. We think that's an opportunity that Northern Star can fill.

To get there, we probably need to have four or five mines, doing 500- to 600,000 ounces of production per annum, with a good mine life, resources, and reserves to match that. We want to use the next 12 months to get us closer to that four or five mine goal.

I think the strength of Northern Star's story is really centred on three things: the board, the shareholders behind the company who support us—I'm a major shareholder myself, and we're quite unique, as the board of management owns 10 per cent of the company—and the third one is the senior management group.

I've always worked by the philosophy that good management, good people, and good boards will find you other assets and good projects. •



MINING & INDUSTRIAL ELECTRICS is proudly Western Australian owned and operated. We pride ourselves in being able to provide quality workmanship and superior products at all times. All works carried out comply as a minimum to AS3000, MSIR 1995, WA Electrical Requirements, and our client's requirements.

Mining & Industrial Electrics offers a full range of electrical products and services to Western Australia's mining and industrial sectors.

Our mining division specialises in:

- Manufacture of switchboards
- Design and installation of control systems and substations
- Drilling machine overhauls
- Design and installation of power stations
- Supply and installation of underground and surface power distribution
- Supply, installation, and programming of PLC
- System integration and equipment maintenance
- Full project management

We also provide full product support, commissioning, statutory, and consultation services.



Harrington Drilling is a family-owned and operated business based in the Midwest that specialises in water well drilling.

Harrington Drilling are experienced in large-diameter dewatering and water-supply bores across numerous mine sites throughout Western Australia. With modern support equipment and a state-of-the-art drilling rig, combined with 30-plus years of experience, Harrington Drilling should be the first choice for your next hydro drilling program.

Harrington Drilling have completed hassle-free drilling programs for:

- Western Areas
- Rockwater
- Doray Minerals
- Karara Mining
- Northern Star Resources
- Galaxy Resources
- Catalpa Resources
- Grange Resources
- St Barbra Mines and Kimberley Diamond Company

Please feel free to contact us when planning your next water drilling program

Wayne Harrington: 0429 372 906
James Harrington: 0429 695 538
wantan@westnet.com.au

